VIVIAN MOEGLEIN

REPUBLICAN STAFF DIRECTOR

DAVID WATKINS STAFF DIRECTOR

U.S. House of Representatives

Committee on Natural Resources Washington, DC 20515

February 9, 2021

President Joseph R. Biden The White House 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500

Dear Mr. President:

We write to express our strong opposition to the oil and gas leasing moratorium directed by your January 27, 2021 Executive Order titled, "Executive Order on Tackling the Climate Crisis at Home and Abroad." This ill-conceived policy will devastate a major sector of our economy while millions of Americans are unemployed due to the COVID-19 crisis. Additionally, this policy will handicap essential environmental restoration programs across the country by destroying a critical source of conservation funding: revenues from conventional energy production.

This Executive Order establishes an indefinite moratorium on new oil and natural gas leases on federal lands and water, "pending completion of a comprehensive review and reconsideration of Federal oil and gas permitting and leasing practices." As you are no doubt aware, mineral development is named a "principal or major use" of onshore public lands under the Federal Land and Policy and Management Act, with offshore resources similarly referred to by the Outer Continental Shelf Lands Act as "a vital national resources reserve...which should be made available for expeditious and orderly development." Energy and mineral development regularly provides the largest source of revenues to the federal government after taxes. In 2019 alone, the Department of the Interior disbursed \$8.08 billion in funds generated by energy production on federal and Tribal lands and waters, with \$2.88 billion going to the Treasury. Much of this revenue is generated by bonus bids from lease sales, meaning a cessation of new leasing would create an opportunity cost in the billions and increase our national debt.

We are also concerned by your pledge to lock up 30% of U.S. land and water by 2030. Conserving our beautiful public lands and waters is a goal we all share. Yet we are also blessed with rich resources that we can use in safe, ecologically-conscious ways that benefit all Americans. There is no reason to remove a huge portion of our lands from potential use simply to meet an arbitrary 30% threshold that could permanently damage state economies and increase our nation's reliance on foreign sources of energy and critical minerals. To highlight just how arbitrary this figure is, even if your Administration prohibited energy development on every single acre of federal land, you would still fall short of the 30% threshold.

¹ https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/

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On the first day of your Administration, the Keystone XL pipeline's cancellation destroyed 1,000 well-paying union jobs, not to mention the thousands of future employment opportunities the project also offered. Your choice to cancel Keystone XL was made despite the millions of Americans searching for work. To compound that decision by further disabling the conventional energy sector – endangering millions of direct and indirect American jobs in the process – would be a tragedy. The total economic impact of your Executive actions preventing the responsible development of our natural resources will be immense. Should your leasing ban be made permanent, reports estimate that by 2040, nearly 500,000 jobs will be lost across the country. Energy-producing states will feel the ripple effects of these directives for decades. In 2019, \$1.81 billion was distributed to 34 energy-producing states from mineral development on federal lands and waters. States use this money for public works, from repairing local bridges to giving well-deserved raises to public school teachers. Halting mineral development for an indefinite period of time could devastate state budgets that depend on these revenues for vital local services.

This Executive Order will also harm the environment by dealing a devastating blow to the many conservation programs you claim to support. Oil and gas development provide \$150 million annually for the Historic Preservation Fund and millions of dollars for the Forest Legacy Program, Cooperative Endangered Species Fund, and the American Battlefield Protection Program. Also, under revenue sharing agreements with Gulf coast states, hundreds of millions of dollars in offshore oil and gas revenues each year are used for coastal restoration and resiliency efforts to provide critical flood protection. These programs are almost entirely dependent on fossil fuel development, particularly offshore oil and gas production, and will be doomed to bankruptcy should this Executive Order stay in place. Vital environmental efforts will be hurt at the local level as well, as many energy-producing states dedicate a portion of their revenues to renewable energy development funds, coastal restoration, plugging orphaned oil and gas wells, and other conservation efforts.

Finally, while your Administration has described this Executive Order as part of a larger effort to address global environmental concerns, these policies will have the opposite effect. Federal lands and waters supply approximately 13% of natural gas and 22% of oil produced in the United States. Your actions to handicap energy production on federal lands will all but ensure that U.S. demand instead be met by oil and gas from countries with lesser environmental standards, and emissions and pollution associated with transporting these resources by vessel will increase. Surely an Administration so concerned with our environment has calculated the environmental impact of fulfilling our energy and mineral demand with resources from Russia, China, and Saudi Arabia.

Mr. President, there is absolutely no reason we should curtail the use of our rich federal lands to help us achieve our goals. Energy production and environmental protections are not mutually exclusive. We urge you to rescind this Executive Order and work with us to support safe, sustainable, all-of-the-above energy production in the United States.

Sincerely,

Kevin McCarthy Republican Leader

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Liz Cheney Republican Conference Chair

Kein Mc Gutt

Don Young Member of Congress

Doug Lamborn Member of Congress

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Steve Scalise Republican Whip

Bruce Westerman Ranking Member

Committee on Natural Resources

Buce Westernan

Louie Gohmert Member of Congress

Robert J. Wittman Member of Congress

Cliff Bentz Member of Congress

Melle

Garret Graves
Member of Congress

Turma amata

Aumua Amata C. Radewagen Member of Congress

Kus Fulcher

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Jody Hice Member of Congress

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Member of Congress

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Blake Moore Member of Congress

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Dan Newhouse Member of Congress

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Clay Higgins Member of Congress Grettekleull

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Tom Cole
Member of Congress

Tom Emmer Member of Congress

Diana Harshbarger Member of Congress

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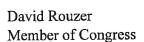
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Steve and

Ron Estes

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Member of Congress

Scott Perry

Member of Congress

Jack Bergman

Member of Congress

cc:

The Honorable Nancy Pelosi, Speaker, U.S. House of Representatives
The Honorable Raúl Grijalva, Chairman, House Committee on Natural Resources